



Dave Heineman
Governor

STATE OF NEBRASKA

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May 24, 2005

Mr. President, Mr. Speaker,
and Members of the Legislature
State Capitol
Lincoln, NE 68509

Dear Mr. President, Mr. Speaker, and Members of the Legislature:

With this letter, I am returning LB 425 with my signature and with line-item reductions. My vetoes in LB 425 total \$8.0 million over the next two years. A list of the individual vetoes is attached to this letter.

The Appropriations Committee and the entire Legislature have enacted a State budget that reflects both optimism and caution. I want to particularly applaud the leadership and direction provided by Senator Don Pederson, Chairman of the Appropriations Committee. We are in agreement on most of the budget and especially on the importance of investing in the education of our young people and the need to promote economic vitality throughout Nebraska.

I have made some line-item reductions in the restoration of previous budget cuts and new and/or expanded funding included in LB 425. My vetoes represent a fine tuning of your appropriations. The State of Nebraska has suffered several difficult financial years and this biennial budget is an investment in our future — especially K-12 education, the University of Nebraska and higher education, and the economic vitality of our State.

I have vetoed \$195,238 of the \$290,238 additional General Funds in FY 2005-06 provided to the Supreme Court for three new court studies which were not included in my budget recommendations. After my veto, \$95,000 remains for a proposed study of judicial caseloads and workloads. I urge the Chief Justice, other Nebraska judges, and the Court's professional staff to undertake the task of recommending other improvements in our Court system without the requirement of additional funding.

I have reduced funding for new probation staff above my recommendations by one-half in FY 2005-06 and one-fourth in FY 2006-07. This equates to vetoes of \$738,364 General Funds in FY 2005-06 and \$369,182 General Funds in FY 2006-07 to State Probation Administration within the Supreme Court. These vetoes still provide for phased-in probation staffing increases of half the amount recommended by the Legislature in FY 2005-06 and three-fourths of the amount recommended by the Legislature in FY 2006-07. After my vetoes, increases remaining above the FY 2004-05 base budget include: \$738,364 General Funds in FY 2005-06 to finance 18 additional probation staff and \$1,107,546 General Funds in FY 2006-07 to finance 27 additional probation staff.

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I have vetoed one-fourth of the additional funding provided to the Attorney General's Office for attorney salary equalization. This equates to vetoes of \$53,750 General Funds and \$9,562 Revolving Funds in FY 2005-06 and vetoes of \$53,750 General Funds and \$18,907 Revolving Funds in FY 2006-07. This still leaves \$189,936 in FY 2005-06 and \$217,970 in FY 2006-07 for salary adjustments.

I have vetoed \$408,595 General Funds for both FY 2005-06 and FY 2006-07 to the Department of Correctional Services for increased state spending on the County Jail Reimbursement Program. I have vetoed such amounts since they equate to a restoration of previous budget reductions. It is important to note that the remaining amount of \$3.5 million does not reduce the current state commitment for county property tax relief. My vetoes for this program simply reinstate the original budget recommendation of the Appropriations Committee.

I have vetoed \$88,850 for both FY 2005-06 and FY 2006-07 of the \$1,777,000 General Fund increase each year to the Department of Education for Early Childhood programs, which were specifically designated for agency operations. This budget still provides for a shift of \$104,859 in funding for this program from aid to operations. The department is fully capable of administering additional grants to new Early Childhood programs without additional administrative resources.

I have reduced the new \$22,000 General Funds provided in FY 2006-07 for support of the Volunteer Service Commission. The commission is encouraged to continue efforts to support its activities with sources of funding other than general funds.

I have reduced the funding increase to the Department of Health and Human Services for child advocacy centers by one-half in FY 2005-06 and one-fourth in FY 2006-07. This equates to vetoes of \$375,000 General Funds in FY 2005-06 and \$187,500 in FY 2006-07. After my vetoes, this provides an increase of \$375,000 in FY 2005-06 and \$562,500 in FY 2006-07. This action phases-in 75% of the increase sought for the operation of the centers.

I have reduced the funding increase to the Department of Health and Human Services – Finance and Support for aid to community health centers by one-half in FY 2005-06 and one-fourth in FY 2006-07. This equates to vetoes of \$437,500 in FY 2005-06 and \$218,750 in FY 2006-07. After my vetoes, this provides an increase of \$437,500 in FY 2005-06 and \$656,250 in FY 2006-07. This action phases-in 75% of the increase included for the centers. The base amount allocated to each center is reduced by 50%, from \$100,000 to \$50,000, to correspond to the 50% reduction in new funding for FY 2005-06. Next year I will propose increasing the FY 2006-07 base allocation for each center to \$75,000 in order to maintain the same proportion of new funds distributed through the base amount allocation as provided in FY 2005-06.

I have vetoed the increase of \$1,500,000 Cash Funds to the Department of Roads for transit authorities in Lincoln and Omaha in each year of the biennium. The capital requests of these two mass transit systems should not be financed through a State program intended to meet the operational costs of public transportation systems. The Department of Roads can redirect these additional cash funds for road construction.

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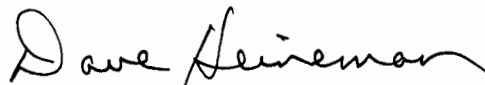
I have vetoed the \$12,000 increase in General Funds for FY 2006-07 to the Game and Parks Commission designated to provide general fund support for repair and maintenance of the Ferguson House. I have not reduced the \$12,000 General Funds added for FY 2005-06. This allows funding to remain for the first year of the biennium as a transition until office and event rental revenue accumulate in the Ferguson House Cash Fund created in LB 426 to support repair and maintenance.

I am reducing the increased funding for the Nebraska Scholarship Program by \$1.2 million General Funds in FY 2006-07. After my veto, State support (General Fund and Lottery Fund) for student scholarship funding will increase by \$1,700,000, a 22.0% increase in FY 2005-06 and by \$2,750,000, a 35.6% increase by FY 2006-07.

I have vetoed an addition of \$150,000 in General Fund appropriations to the Department of Economic Development for FY 2005-06, for a Nebraska Treasures Study. I believe this proposal requires further consideration prior to undertaking a financial commitment to this new program.

I appreciate your hard work and urge you to sustain these reductions to LB 425.

Sincerely,

A handwritten signature in black ink that reads "Dave Heineman". The signature is fluid and cursive, with the first name "Dave" and last name "Heineman" clearly legible.

Dave Heineman
Governor

Attachment

99TH LEGISLATURE, FIRST SESSION (2005)
Mainline Budget Package
Governor's Line-Item Vetoes

Ag#	Agency	Prog#	Program	Bill#	Sec.#	Fund	FY06 Veto	FY07 Veto
5	Supreme Court	52	Court Operations	425	14	General	195,238	0
5	Supreme Court	67	Probation	425	15	General	738,364	369,182
5	Supreme Court	67	Probation	425	15	PSL	641,285	320,642
11	Attorney General	507	Interpretation & Application of Law	425	33	General	53,750	53,750
11	Attorney General	507	Interpretation & Application of Law	425	33	Revolving	9,562	18,907
11	Attorney General	507	Interpretation & Application of Law	425	33	PSL	54,988	63,104
13	Education	25	Departmental Administration	425	46	General	88,850	88,850
25	HHS-Services	33	Administration	425	100	General	0	22,000
25	HHS-Services	39	Protection & Safety of Children	425	102	General	375,000	187,500
26	HHS-Finance	502	Public Health Aid	425	117	General	437,500	218,750
27	Roads	305	Local Transit Assistance	425	126	Cash	1,500,000	1,500,000
33	Game and Parks	162	Environmental Trust	425	150	General	0	12,000
46	Correctional Services	750	County Jail Reimbursement	425	172	General	408,595	408,595
48	Postsecondary Coord.	690	Nebraska Scholarship Program	425	177	General	0	1,200,000
72	Economic Development	618	Visitors Promotion	425	231	General	150,000	0
						General	2,447,297	2,560,627
						Cash	1,500,000	1,500,000
						Revolving	9,562	18,907
							3,956,859	4,079,534
						PSL	696,273	383,746